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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

FEB 10 2010
PUBLIC SERVICE
COMMISSION

In the Matter of:


LOUISVILLE GAS AND ELECTRIC COMPANY)
AND KENTUCKY UTILITIES COMPANY 2009)
APPLICATION FOR APPROVAL OF) CASE NO. 2009-00353
PURCHASED POWER AGREEMENTS)
AND RECOVERY OF ASSOCIATED COSTS)

PRE-FILED WRITTEN DIRECT TESTIMONY OF JOINT INTERVENORS
ATTORNEY GENERAL AND KENTUCKY INDUSTRIAL UTILITY CUSTOMERS

PUBLIC VERSION

Come now the Joint Intervenors, the Kentucky Industrial Utility
Customers and the Attorney General of the Commonwealth of Kentucky, by and
through his Office of Rate Intervention, and file the following CONFIDENTIAL
testimony in the above-styled matter.

Respectfully submitted,
JACK CONWAY
ATTORNEY GENERAL



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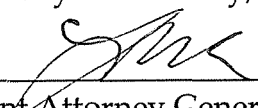
Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand delivery to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

Hon. Kendrick R. Riggs
Attorney at Law
Stoll Keenon Ogden, PLLC
2000 PNC Plaza
500 W. Jefferson St.
Louisville, KY 40202-2828

Hon. Allyson K. Sturgeon
Attorney at Law
E.ON U.S. LLC
220 W. Main St.
Louisville, KY 40202

this 10th day of February, 2010



Assistant Attorney General

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OF PURCHASED POWER AGREEMENTS)
AND RECOVERY OF ASSOCIATED COSTS)**

DIRECT TESTIMONY

AND EXHIBITS

OF

LANE KOLLEN

PUBLIC VERSION

**ON BEHALF OF THE
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.
AND THE
KENTUCKY OFFICE OF THE ATTORNEY GENERAL**

**J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA**

February 2010

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**APPLICATION OF LOUISVILLE GAS AND)
ELECTRIC COMPANY AND KENTUCKY)
UTILITIES COMPANY FOR APPROVAL) CASE NO.2009-00353
OF PURCHASED POWER AGREEMENTS)
AND RECOVERY OF ASSOCIATED COSTS)**

DIRECT TESTIMONY OF LANE KOLLEN

1 **Q. Please state your name and business address.**

2 A. My name is Lane Kollen. My business address is J. Kennedy and Associates, Inc.
3 ("Kennedy and Associates"), 570 Colonial Park Drive, Suite 305, Roswell,
4 Georgia 30075.

5

6 **Q. Please state your occupation and employer.**

7 A. I am a utility rate and planning consultant holding the position of Vice President
8 and Principal with the firm of Kennedy and Associates.

9

10 **Q. Please describe your education and professional experience.**

11 A. I earned a Bachelor of Business Administration in Accounting degree and a
12 Master of Business Administration degree from the University of Toledo. I also
13 earned a Master of Arts degree from Luther Rice University. I am a Certified

1 Public Accountant (“CPA”), with a practice license, and a Certified Management
2 Accountant (“CMA”).
3

4 I have been an active participant in the utility industry for more than thirty years,
5 initially as an employee of The Toledo Edison Company from 1976 to 1983 and
6 thereafter as a consultant in the industry since 1983. I have testified as an expert
7 witness on planning, ratemaking, accounting, finance, and tax issues in
8 proceedings before regulatory commissions and courts at the federal and state
9 levels on nearly two hundred occasions, including proceedings before the
10 Kentucky Public Service Commission. My qualifications and regulatory
11 appearances are further detailed in my Exhibit____(LK-1).
12

13 **Q. On whose behalf are you testifying?**

14 A. I am testifying on behalf of the Kentucky Industrial Utility Customers, Inc.
15 (“KIUC”) and the Kentucky Office of the Attorney General (“AG”).
16

17 **Q. What is the purpose of your testimony?**

18 A. The purpose of my testimony is to address the economics and ratemaking
19 consequences of the Companies’ proposed wind power purchased power
20 agreements.
21

22 **Q. Please summarize your testimony.**

23 A. The Commission should reject the Companies’ proposed wind power purchased

1 power agreements. The Companies admit the proposed contracts are uneconomic
2 compared to alternative supply side resource options. The approval of these
3 contracts would result in rates that are not just and reasonable and that are based
4 on an imprudent selection of supply side resource options. The Companies admit
5 that there is no federal or state renewables portfolio standard or mandate that
6 overrides the basic ratemaking requirement to select the least cost supply side
7 resource options. Further, the Companies admit that they do not need the
8 capacity and energy that the proposed purchased power agreements would
9 provide and admit that the wind power purchases are not a substitute for 109.5
10 mW of firm capacity to meet peak load.

11 In addition, the economics are worse and thus, the harm to ratepayers is
12 even greater, than the net present value harm of \$108.3 million (nominal harm of
13 \$204.5 million) quantified by the Companies in their Application and in response
14 to Staff 1-7 for two reasons. First, the Companies assumed that there would be
15 CO2 costs and further assumed that the wind power purchased power agreements
16 would reduce those assumed CO2 costs by \$34.0 million. This is an invalid
17 savings in the absence of federal legislation or regulation of CO2. Thus, the net
18 present value harm to ratepayers from the proposed agreements really is \$142.3
19 million (nominal harm of \$295.0 million), not the \$108.3 million the Companies
20 claimed in their Application.

21 Second, in their economic analysis, the Companies failed to include the
22 additional costs resulting from increases in their respective common equity ratios
23 and the resulting increases in their base and environmental cost recovery revenue

1 requirements. The Companies claim in their pending base rate increase
2 proceedings that the debt rating agencies' impute such purchased power contracts
3 as debt equivalents and that increases in their common equity ratios are necessary
4 to offset these debt equivalents.

5 The additional harm to ratepayers from an increase in the Companies'
6 common equity ratios is another [REDACTED] on a net present value basis
7 ([REDACTED] on a nominal basis), for a total harm of [REDACTED] on a net
8 present value basis ([REDACTED] on a nominal basis). Although the Companies
9 did not include this additional cost in their economic analysis, other internal
10 documents produced by the Companies in response to discovery demonstrate that
11 the Companies [REDACTED]
12 [REDACTED]. More specifically, the Companies have [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]. Unfortunately, the Companies' [REDACTED]
16 [REDACTED] translates directly into harm to ratepayers.

17
18 **Q. In their Application, the Companies cite various federal legislative efforts**
19 **and the November 2008 release of a Report by Governor Beshear addressing**
20 **potential renewable portfolio standards. Has the federal government or the**
21 **Commonwealth of Kentucky enacted into law renewable portfolio**
22 **standards?**

23 **A. No. Consequently, there is no federal or Kentucky legislative mandate to acquire**

1 renewable resources that are both uneconomic and unnecessary to meet customer
2 load requirements. There is significant uncertainty as to whether there ever will
3 be a federal or Kentucky legislative mandate to acquire such resources and the
4 Companies do not claim otherwise.
5

6 **Q. Are the proposed purchased power agreements economic in accordance with**
7 **the least cost standard normally applied to supply side resource acquisitions?**

8 A. No. In their Application, the Companies acknowledge that the contracts are not
9 economic and estimate that they will cost customers an additional \$108.3 million
10 net present value over the life of the contracts compared to the Companies' other
11 lower cost alternatives. In their Application, the Companies acknowledge that
12 these proposed purchases are not economic, stating:

13 **Clearly, renewable energy is not a least-cost alternative under**
14 **traditional net present value revenue requirement analyses.**
15
16

17 Companies' witness Mr. Lonnie Bellar acknowledges the "unfavorable
18 economics compared to more traditional alternative" and cites that as one reason
19 "why the Companies are asking the Commission to approve the complete costs of
20 the Wind Power Contracts as reasonable over the entire contractual term." [Bellar
21 Direct at 13-14].
22

23 **Q. Mr. Bellar states that these contracts are "cost-effective." [*Id.* at 3]. Please**
24 **respond.**

1 A. The proposed purchased power agreements are not cost-effective, meaning least-
2 cost, compared to other supply side resource alternatives in the absence of federal
3 or state policy or legislative mandates. Even if federal or state mandates are
4 implemented in the future, such future requirements are not known today. Thus,
5 such unknown mandates cannot be assumed to impose an obligation for
6 renewable resources on the Companies or assumed to impose a cost structure on
7 the Companies that will transform the economics of these two purchased power
8 resources into the least-cost alternatives. The Commission should not approve
9 recoveries of uneconomic and known costs today to meet potential uncertain
10 mandates and unknown costs in the future.

11 In addition, in their \$108.3 million net present value quantification of
12 harm, the Companies assumed a savings due to avoided CO2 reduction costs of
13 \$34.0 million net present value. The Companies assumed in their base case,
14 against which they compared the two wind power agreements, that there will be
15 CO2 reduction costs from the wind power agreements even though no legislation
16 has been enacted to date. This assumption is shown on the table on page 12 of the
17 Application, which has separate line items for NOX, SO2 and CO2 costs over the
18 future planning period. In other words, the harm to ratepayers from the wind
19 power agreements actually is \$142.3 million on a net present value basis unless
20 CO2 legislation actually is enacted. The Companies have provided no support for
21 the CO2 assumption in their base case other than the PROSym inputs for CO2
22 costs in response to Staff 1-7. The PROSym inputs reflect a cost of ■ per ton in
23 2013 rising to ■ per ton by 2029. In any event, any CO2 assumption and any

1 savings resulting from displacing costs resulting from that assumption are
2 inherently uncertain and speculative at this time. I have attached a copy of page
3 12 of the Application as my Exhibit___(LK-2) for ease of reference.

4 The Companies also performed two sensitivity analyses comparing the
5 economic harm to ratepayers reflected in their base case economic analysis to the
6 economic harm resulting from high and low [REDACTED] scenarios. The high scenario
7 assumes that [REDACTED] than the costs in the base case and the
8 low scenario assumes that [REDACTED] than the costs in the base case.
9 The sensitivity analyses were provided by the Company in confidential response
10 to JI 1-20 pages LGE-KU-2084819 through LGE-KU-2084822. I have replicated
11 these pages as my confidential Exhibit___(LK-3).

12 In the [REDACTED] scenario, instead of the base case harm of \$108.3
13 million on a net present value basis, the Companies quantified the harm at [REDACTED]
14 [REDACTED] on a net present value basis. In the [REDACTED] scenario, the Companies
15 quantified the harm at [REDACTED] on a net present value basis. In short, [REDACTED]
16 [REDACTED], the proposed
17 contracts still harm ratepayers on a net present value basis. In fact, even if carbon
18 legislation is enacted, the cost would have to more than [REDACTED] from the
19 Companies' best estimates before the wind power purchased power agreements
20 would be economical, according to the Companies' confidential response to JI 1-
21 20 page LGE-KU 2069810. I have attached a copy of this response as my
22 confidential Exhibit___(LK-4).

1 **Q. Do the Companies claim that the wind power purchased power agreements**
2 **are necessary to meet their customer loads?**

3 A. No. The Companies make no such claim in their Application or in Mr. Bellar's
4 testimony. To the contrary, the Companies will not need additional capacity
5 (apparently, other than Trimble County 2) until 2017, according to the
6 Companies' response to Staff 1-7. The least cost resource for 2017 is designated
7 as a combined cycle combustion turbine ("CCCT").

8 Further, the wind power purchased power agreements are not a firm
9 capacity resource that the Companies can rely on to meet their peak loads. To the
10 contrary, the purchased power agreements "offer minimal firm capacity,"
11 according to the Companies' response to Staff 1-7, and the Companies have
12 "derated" the 109.5 mW of potential capacity to 13.1 mW "to reflect expected
13 availability at the time of system peak demand," according to the Companies'
14 response to Staff 1-8. I have attached a copy of the Companies' response to Staff
15 1-7 as my Exhibit__(LK-5) and their response to Staff 1-8 as my
16 Exhibit__(LK-6).

17 Finally, in their Application, the Companies note that the harm reflected in
18 their economic analysis is "exacerbated, in the case of wind and solar projects, by
19 lack of firm capacity." [Application at 11]. In their internal correspondence,
20 provided in the confidential response to JI 1-20 page 2007040, the Companies
21 state: [REDACTED]

22 [REDACTED]

23 [REDACTED] I have attached a copy of the cited page as my confidential

1 Exhibit____(LK-7).

2

3 **Q. Will the wind power purchased power agreements result in additional off-**
4 **system sales?**

5 A. Yes; however, the Companies are reluctant to quantify the additional margins due
6 to the unpredictability of the generation. In response to JI 1-14, the Companies
7 stated the following:

8

9 **The availability of wind energy will not *automatically* increase off-**
10 **system sales by an equivalent amount. In 2009, for example, the**
11 **Companies have made minimal sales sufficiently high enough to**
12 **exceed the dispatch cost. In such an instance, the availability of wind**
13 **energy would make little or no difference to the off-system sales**
14 **position. Furthermore, even under favorable market price conditions,**
15 **the inherent ‘unpredictability’ of the wind resource further**
16 **complicates selling the power off-system.**
17

18 The significance of this fact is that even though the Companies do not
19 need the capacity to meet customer loads, they may not be able to sell all of the
20 displaced thermal generation off-system. This, in turn, may cause greater fuel
21 expense due to more frequent cycling and less efficient operation of their thermal
22 generation resources.

23 Although the Companies are reluctant to quantify additional off-system
24 sales, they nevertheless quantified the potential margins from such sales at \$1.4
25 million based on various assumptions in response to JI -S-3, a copy of which I
26 have attached as my Exhibit____(LK-8).

27

1 **Q. If the agreements are approved and the wind energy results in additional off-**
2 **system sales, will the margins from those sales flow to ratepayers absent a**
3 **base rate case?**

4 A. No. Any increases in off-system sales margins will be retained by the Companies
5 until the margins are reset as a component of the Companies' revenue
6 requirements in a subsequent base rate case.

7
8 **Q. Please describe how the debt rating agencies incorporate purchased power**
9 **agreements in the computation of the capital structure?**

10 A. The rating agencies consider the discounted payments pursuant to purchased
11 power agreements as debt equivalents in the computation of the capital structure
12 by adding these amounts to a utility's actual debt outstanding. The percentage of
13 debt in the capital structure is considered a credit metric used along with other
14 credit metrics to determine a utility's bond rating. In general, the rating agencies
15 consider the percentage of debt as an indication of financial risk and the greater
16 the percentage of debt, the greater the financial risk and downward pressure on
17 the debt rating.

18
19 **Q. How do the Companies incorporate purchased power agreements in**
20 **determining their target capital structures both in the real world and for**
21 **ratemaking purposes?**

1 A. In their most recent base rate case filings, Case Nos. 2009-00548 and 2009-
2 00549, the Companies' Treasurer, Mr. Daniel Arbough described how purchased
3 power agreements affect the Companies' target capital structures:

4
5 **The Company treats power purchase agreements, operating leases,**
6 **and pension obligations as debt in determining the target capital**
7 **structure because the rating agencies require such obligations to be**
8 **treated as fixed obligations equivalent to debt.**
9

10 The Companies cite these debt equivalents as the reason for the common
11 equity ratios reflected in their rate case filings used for the return on rate base.
12 Thus, each purchased power agreement results in an increase in the required
13 common equity ratio to offset the debt equivalent, according to the Companies'
14 Treasurer.

15
16 **Q. What is the significance of a greater common equity ratio to compensate for**
17 **the purchased power agreement debt equivalents?**

18 A. Fundamentally, it causes an increase in the revenue requirement because common
19 equity is the highest cost capital component, which displaces lower cost debt.
20 The increase in the weighted common equity return then must be further increased
21 for the income tax gross-up. In other words, under the construct where purchased
22 power agreements are considered debt equivalents, there is an additional cost for
23 each of those purchased power contracts due to the increase in common equity
24 ostensibly necessary to offset the imputed debt equivalent.

1 In simple terms, the debt equivalent for the purchased power contract
2 carries a return equal to the common equity rate of return grossed-up less the debt
3 rate of return. Thus, the cost to ratepayers of a purchased power contract is not
4 limited to the actual payments pursuant to the purchased power contract plus
5 transmission and congestion costs; the cost also includes the “profit” due to an
6 increase in the return resulting from an increase in the common equity ratio and a
7 reduction in the debt ratio.

8
9 **Q. Did the Companies reflect this cost in their quantification of the \$108.3**
10 **million harm to ratepayers from these purchased power agreements cited in**
11 **their Application?**

12 A. No. The Companies provided their computation of the \$108.3 million net present
13 value harm to ratepayers in response to Staff 1-7. In their quantification, the
14 Companies only quantified the incremental production cost, transmission cost and
15 congestion cost; they excluded the increase in the rate of return due to the
16 purchased power contract being treated as a debt equivalent. Thus, the harm to
17 ratepayers is greater than the \$108.3 million quantified by the Companies and
18 greater than the \$142.3 million if the assumption of CO2 benefits is removed.

19
20 **Q. Does this additional harm result in an increase in profit or income to the**
21 **Companies?**

22 A. Yes. Any increase in the equity component of the rate of return represents an
23 increase in the profit or income to the Companies.

1 **Q. Did the Companies assess this increase in profit in their review of the**
2 **purchased power contracts and cite this fact in the Companies' management**
3 **recommendation to the Board of Directors to approve wind power purchased**
4 **power agreements?**

5 A. [REDACTED] The Companies determined that [REDACTED]
6 [REDACTED]
7 [REDACTED] according to a copy
8 of an internal e-mail provided by the Companies in response to JI 1-20 pages
9 LGE-KU-2084211 through LGE-KU-2084219. Although one of the two
10 contracts reflected in the Companies' analysis has since been replaced by the
11 Grand Ridge IV contract at a lower capacity and energy output, the Companies'
12 analysis indicated that the [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]. I have replicated the cited pages as my
16 confidential Exhibit___(LK-9).

17
18 **Q. What is the amount of the harm to ratepayers from the increase in the**
19 **return?**

20 A. It is quite significant. It increases the harm to ratepayers from the \$108.3 million
21 net present value quantified by the Companies in their Application and in
22 response to Staff 1-7 to approximately [REDACTED] (\$108.3 million plus [REDACTED]
23 [REDACTED]) and the harm to ratepayers if the CO2 assumption is removed to

1 approximately [REDACTED] (\$142.3 million plus [REDACTED]). I used the
2 Companies' confidential projections of the annual prices and annual mWh
3 provided in response to JI 1-4, and the Companies' 7.8% discount factor. In
4 addition, I relied on the Companies' quantification of the effect on the Grand
5 Ridge I contract for an initial increase in the revenue requirement of [REDACTED]
6 and an average of [REDACTED] per year over the life and then grossed up the result
7 of the net present value harm for the Grand Ridge I contract to include the
8 additional effects of the Grand Ridge IV contract. The computations are detailed
9 on my confidential Exhibit___(LK-10).

10 The Companies estimated an average increase due to [REDACTED]
11 [REDACTED] for the Grand Ridge I contract beginning [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]. This summary was provided by the
16 Companies in their confidential response to JI 1-20 pages LGE-KU-2070155
17 through LGE-KU-2070161. I have attached a copy of this information as my
18 confidential Exhibit___(LK-11).
19

20 **Q. Have you revised the table showing the annual harm to ratepayers quantified**
21 **by the Companies as \$108.3 million and provided in response to Staff 1-7?**

22 A. Yes. The revised table and quantifications of costs are shown below. I show both
23 the annual and total life of the agreements harm on a nominal and net present

1 value basis. I started with the last column from the Companies' table provided in
2 response to Staff 1-7 entitled "Total Incremental Cost." I then added four more
3 columns: 1) Eliminate CO2 Savings, 2) Tot Incr Cost W/O CO2 Savings, 3)
4 Enhanced Return, and 4) Tot Incr Cost As Corrected. The last two columns rely
5 on confidential information and do not appear on the public version of my
6 testimony. I used the Companies' CO2 cost per ton provided in the confidential
7 response to Staff 1-7 and calculated the annual nominal dollar impact based on
8 the \$34.0 million net present value savings quantified by the Companies using the
9 7.8% discount rate provided in the response to Staff 1-7. The computations of the
10 annual CO2 amounts are detailed on my confidential Exhibit__(LK-12). I used
11 the annual enhanced return amounts from my confidential Exhibit__(LK-10).

Incremental Annual Production Costs
As Adjusted by KIUC and AG
(\$ millions)

	Company Response Staff 1-7	Eliminate CO2 Savings	Total Incremental Costs W/O CO2 Savings	Enhanced Return	Total Incremental Costs As Corrected
2010	12.2		12.2		
2011	14.7		14.7		
2012	14.2		14.2		
2013	13.1	1.2	14.3		
2014	10.7	2.4	13.1		
2015	10.2	3.6	13.8		
2016	9.6	3.8	13.4		
2017	9.6	4.0	13.6		
2018	11.0	4.3	15.3		
2019	8.8	4.5	13.3		
2020	8.5	4.8	13.3		
2021	8.6	5.2	13.8		
2022	9.2	5.5	14.7		
2023	9.2	5.9	15.1		
2024	10.0	6.3	16.3		
2025	9.5	6.8	16.3		
2026	7.7	7.3	15.0		
2027	6.7	7.8	14.5		
2028	7.8	8.3	16.1		
2029	9.2	8.9	18.1		
2030	4.0		4.0		
Total	204.5	90.5	295.0		
NPV @ 7.8%	108.2	34.0	142.2		

1

2 **Q. What is your recommendation?**

3 A. The Commission should not approve these proposed wind farm purchased power
4 contracts. There is no economic basis to approve these contracts. The Companies
5 admit they are uneconomic compared to other lower cost alternatives. The
6 contracts are even more uneconomic if the assumption regarding CO2 costs is
7 removed. The contracts are even more uneconomic if the common equity return
8 on the debt equivalent amount of the purchased power agreements is included as a
9 cost of the transactions. There is no federal or state renewables mandate that

1 requires a suspension of the traditional least cost standard in the evaluation of
2 supply side resource alternatives. Finally, the Companies admit that these
3 resources are not necessary to meet customer loads and do not represent firm
4 capacity.

5

6 **Q. Does this complete your testimony?**

7 A. Yes.

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**EXHIBITS
OF
LANE KOLLEN**

**ON BEHALF OF THE
KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.
AND THE
KENTUCKY OFFICE OF THE ATTORNEY GENERAL**

**J. KENNEDY AND ASSOCIATES, INC.
ROSWELL, GEORGIA**

February 2010

EXHIBIT ____ (LK-1)

RESUME OF LANE KOLLEN, VICE PRESIDENT

EDUCATION

University of Toledo, BBA
Accounting

University of Toledo, MBA

Luther Rice University, MA

PROFESSIONAL CERTIFICATIONS

Certified Public Accountant (CPA)

Certified Management Accountant (CMA)

PROFESSIONAL AFFILIATIONS

American Institute of Certified Public Accountants

Georgia Society of Certified Public Accountants

Institute of Management Accountants

More than thirty years of utility industry experience in the financial, rate, tax, and planning areas. Specialization in revenue requirements analyses, taxes, evaluation of rate and financial impacts of traditional and nontraditional ratemaking, utility mergers/acquisition and diversification. Expertise in proprietary and nonproprietary software systems used by utilities for budgeting, rate case support and strategic and financial planning.

RESUME OF LANE KOLLEN, VICE PRESIDENT

EXPERIENCE

1986 to

Present:

J. Kennedy and Associates, Inc.: Vice President and Principal. Responsible for utility stranded cost analysis, revenue requirements analysis, cash flow projections and solvency, financial and cash effects of traditional and nontraditional ratemaking, and research, speaking and writing on the effects of tax law changes. Testimony before Connecticut, Florida, Georgia, Indiana, Louisiana, Kentucky, Maine, Maryland, Minnesota, New York, North Carolina, Ohio, Pennsylvania, Tennessee, Texas, West Virginia and Wisconsin state regulatory commissions and the Federal Energy Regulatory Commission.

1983 to

1986:

Energy Management Associates: Lead Consultant.

Consulting in the areas of strategic and financial planning, traditional and nontraditional ratemaking, rate case support and testimony, diversification and generation expansion planning. Directed consulting and software development projects utilizing PROSCREEN II and ACUMEN proprietary software products. Utilized ACUMEN detailed corporate simulation system, PROSCREEN II strategic planning system and other custom developed software to support utility rate case filings including test year revenue requirements, rate base, operating income and pro-forma adjustments. Also utilized these software products for revenue simulation, budget preparation and cost-of-service analyses.

1976 to

1983:

The Toledo Edison Company: Planning Supervisor.

Responsible for financial planning activities including generation expansion planning, capital and expense budgeting, evaluation of tax law changes, rate case strategy and support and computerized financial modeling using proprietary and nonproprietary software products. Directed the modeling and evaluation of planning alternatives including:

Rate phase-ins.

Construction project cancellations and write-offs.

Construction project delays.

Capacity swaps.

Financing alternatives.

Competitive pricing for off-system sales.

Sale/leasebacks.

J. KENNEDY AND ASSOCIATES, INC.

RESUME OF LANE KOLLEN, VICE PRESIDENT

CLIENTS SERVED

Industrial Companies and Groups

Air Products and Chemicals, Inc.	Lehigh Valley Power Committee
Airco Industrial Gases	Maryland Industrial Group
Alcan Aluminum	Multiple Intervenors (New York)
Armco Advanced Materials Co.	National Southwire
Armco Steel	North Carolina Industrial
Bethlehem Steel	Energy Consumers
Connecticut Industrial Energy Consumers	Occidental Chemical Corporation
ELCON	Ohio Energy Group
Enron Gas Pipeline Company	Ohio Industrial Energy Consumers
Florida Industrial Power Users Group	Ohio Manufacturers Association
Gallatin Steel	Philadelphia Area Industrial Energy
General Electric Company	Users Group
GPU Industrial Intervenors	PSI Industrial Group
Indiana Industrial Group	Smith Cogeneration
Industrial Consumers for	Taconite Intervenors (Minnesota)
Fair Utility Rates - Indiana	West Penn Power Industrial Intervenors
Industrial Energy Consumers - Ohio	West Virginia Energy Users Group
Kentucky Industrial Utility Customers, Inc.	Westvaco Corporation
Kimberly-Clark Company	

Regulatory Commissions and Government Agencies

Cities in Texas-New Mexico Power Company's Service Territory
Cities in AEP Texas Central Company's Service Territory
Cities in AEP Texas North Company's Service Territory
Georgia Public Service Commission Staff
Kentucky Attorney General's Office, Division of Consumer Protection
Louisiana Public Service Commission Staff
Maine Office of Public Advocate
New York State Energy Office
Office of Public Utility Counsel (Texas)

RESUME OF LANE KOLLEN, VICE PRESIDENT

Utilities

Allegheny Power System
Atlantic City Electric Company
Carolina Power & Light Company
Cleveland Electric Illuminating Company
Delmarva Power & Light Company
Duquesne Light Company
General Public Utilities
Georgia Power Company
Middle South Services
Nevada Power Company
Niagara Mohawk Power Corporation

Otter Tail Power Company
Pacific Gas & Electric Company
Public Service Electric & Gas
Public Service of Oklahoma
Rochester Gas and Electric
Savannah Electric & Power Company
Seminole Electric Cooperative
Southern California Edison
Talquin Electric Cooperative
Tampa Electric
Texas Utilities
Toledo Edison Company

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Date	Case	Jurisdct.	Party	Utility	Subject
10/86	U-17282 Interim	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements financial solvency.
11/86	U-17282 Interim Rebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements financial solvency.
12/86	9613	KY	Attorney General Div. of Consumer Protection	Big Rivers Electric Corp.	Revenue requirements accounting adjustments financial workout plan.
1/87	U-17282 Interim	LA 19th Judicial District Ct.	Louisiana Public Service Commission Staff	Gulf States Utilities	Cash revenue requirements, financial solvency.
3/87	General Order 236	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Tax Reform Act of 1986.
4/87	U-17282 Prudence	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Prudence of River Bend 1, economic analyses, cancellation studies.
4/87	M-100 Sub 113	NC	North Carolina Industrial Energy Consumers	Duke Power Co.	Tax Reform Act of 1986.
5/87	86-524-E- SC	WV	West Virginia Energy Users' Group	Monongahela Power Co.	Revenue requirements. Tax Reform Act of 1986.
5/87	U-17282 Case In Chief	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, River Bend 1 phase-in plan, financial solvency.
7/87	U-17282 Case In Chief Surrebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements River Bend 1 phase-in plan, financial solvency.
7/87	U-17282 Prudence Surrebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Prudence of River Bend 1, economic analyses, cancellation studies.
7/87	86-524 E-SC	WV	West Virginia Energy Users'	Monongahela Power Co.	Revenue requirements, Tax Reform Act of 1986.

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Date	Case	Jurisdct.	Party	Utility	Subject
8/87	Rebuttal 9885	KY	Group Attorney General Div. of Consumer Protection	Big Rivers Electric Corp.	Financial workout plan.
8/87	E-015/GR- 87-223	MN	Taconite Intervenors	Minnesota Power & Light Co.	Revenue requirements, O&M expense, Tax Reform Act of 1986.
10/87	870220-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue requirements, O&M expense, Tax Reform Act of 1986.
11/87	87-07-01	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Tax Reform Act of 1986.
1/88	U-17282	LA 19th Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Revenue requirements, River Bend 1 phase-in plan, rate of return.
2/88	9934	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Economics of Trimble County completion.
2/88	10064	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Revenue requirements, O&M expense, capital structure, excess deferred income taxes.
5/88	10217	KY	Alcan Aluminum National Southwire	Big Rivers Electric Corp.	Financial workout plan.
5/88	M-87017 -1C001	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Nonutility generator deferred cost recovery.
5/88	M-87017 -2C005	PA	GPU Industrial Intervenors	Pennsylvania Electric Co.	Nonutility generator deferred cost recovery.
6/88	U-17282	LA 19th Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Prudence of River Bend 1 economic analyses, cancellation studies, financial modeling.
7/88	M-87017- -1C001 Rebuttal	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Nonutility generator deferred cost recovery, SFAS No. 92

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Date	Case	Jurisdct.	Party	Utility	Subject
7/88	M-87017- -2C005 Rebuttal	PA	GPU Industrial Intervenors	Pennsylvania Electric Co.	Nonutility generator deferred cost recovery, SFAS No. 92
9/88	88-05-25	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	Excess deferred taxes, O&M expenses.
9/88	10064 Rehearing	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Premature retirements, interest expense.
10/88	88-170- EL-AIR	OH	Ohio Industrial Energy Consumers	Cleveland Electric Illuminating Co.	Revenue requirements, phase-in, excess deferred taxes, O&M expenses, financial considerations, working capital.
10/88	88-171- EL-AIR	OH	Ohio Industrial Energy Consumers	Toledo Edison Co.	Revenue requirements, phase-in, excess deferred taxes, O&M expenses, financial considerations, working capital.
10/88	8800 355-EI	FL	Florida Industrial Power Users' Group	Florida Power & Light Co.	Tax Reform Act of 1986, tax expenses, O&M expenses, pension expense (SFAS No. 87).
10/88	3780-U	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Co.	Pension expense (SFAS No. 87).
11/88	U-17282 Remand	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Rate base exclusion plan (SFAS No. 71)
12/88	U-17970	LA	Louisiana Public Service Commission Staff	AT&T Communications of South Central States	Pension expense (SFAS No. 87).
12/88	U-17949 Rebuttal	LA	Louisiana Public Service Commission Staff	South Central Bell	Compensated absences (SFAS No. 43), pension expense (SFAS No. 87), Part 32, income tax normalization.
2/89	U-17282	LA	Louisiana Public	Gulf States	Revenue requirements, phase-in

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Date	Case	Jurisdct.	Party	Utility	Subject
	Phase II		Service Commission Staff	Utilities	of River Bend 1, recovery of canceled plant.
6/89	881602-EU 890326-EU	FL	Talquin Electric Cooperative	Talquin/City of Tallahassee	Economic analyses, incremental cost-of-service, average customer rates.
7/89	U-17970	LA	Louisiana Public Service Commission Staff	AT&T Communications of South Central States	Pension expense (SFAS No. 87), compensated absences (SFAS No. 43), Part 32.
8/89	8555	TX	Occidental Chemical Corp.	Houston Lighting & Power Co.	Cancellation cost recovery, tax expense, revenue requirements.
8/89	3840-U	GA	Georgia Public Service Commission Staff	Georgia Power Co.	Promotional practices, advertising, economic development.
9/89	U-17282 Phase II Detailed	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements, detailed investigation.
10/89	8880	TX	Enron Gas Pipeline	Texas-New Mexico Power Co.	Deferred accounting treatment, sale/leaseback.
10/89	8928	TX	Enron Gas Pipeline	Texas-New Mexico Power Co.	Revenue requirements, imputed capital structure, cash working capital.
10/89	R-891364	PA	Philadelphia Area Industrial Energy Users Group	Philadelphia Electric Co.	Revenue requirements.
11/89 12/89	R-891364 Surrebuttal (2 Filings)	PA	Philadelphia Area Industrial Energy Users Group	Philadelphia Electric Co.	Revenue requirements, sale/leaseback.
1/90	U-17282 Phase II Detailed Rebuttal	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements , detailed investigation.
1/90	U-17282 Phase III	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Phase-in of River Bend 1, deregulated asset plan.

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Date	Case	Jurisdct.	Party	Utility	Subject
3/90	890319-EI	FL	Florida Industrial Power Users Group	Florida Power & Light Co.	O&M expenses, Tax Reform Act of 1986.
4/90	890319-EI Rebuttal	FL	Florida Industrial Power Users Group	Florida Power & Light Co.	O&M expenses, Tax Reform Act of 1986.
4/90	U-17282	LA 19 th Judicial District Ct.	Louisiana Public Service Commission	Gulf States Utilities	Fuel clause, gain on sale of utility assets.
9/90	90-158	KY	Kentucky Industrial Utility Customers	Louisville Gas & Electric Co.	Revenue requirements, post-test year additions, forecasted test year.
12/90	U-17282 Phase IV	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Revenue requirements.
3/91	29327, et. al.	NY	Multiple Intervenor	Niagara Mohawk Power Corp.	Incentive regulation.
5/91	9945	TX	Office of Public Utility Counsel of Texas	El Paso Electric Co.	Financial modeling, economic analyses, prudence of Palo Verde 3.
9/91	P-910511 P-910512	PA	Allegheny Ludlum Corp., Armco Advanced Materials Co., The West Penn Power Industrial Users' Group	West Penn Power Co.	Recovery of CAAA costs, least cost financing.
9/91	91-231 -E-NC	WV	West Virginia Energy Users Group	Monongahela Power Co.	Recovery of CAAA costs, least cost financing.
11/91	U-17282	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Asset impairment, deregulated asset plan, revenue requirements.
12/91	91-410-EL-AIR	OH	Air Products and Chemicals, Inc., Armco Steel Co., General Electric Co., Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Revenue requirements, phase-in plan.
12/91	10200	TX	Office of Public	Texas-New Mexico	Financial integrity, strategic

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Date	Case	Jurisdic.	Party	Utility	Subject
			Utility Counsel of Texas	Power Co.	planning, declined business affiliations.
5/92	910890-EI	FL	Occidental Chemical Corp.	Florida Power Corp.	Revenue requirements, O&M expense, pension expense, OPEB expense, fossil dismantling, nuclear decommissioning.
8/92	R-00922314	PA	GPU Industrial Intervenors	Metropolitan Edison Co.	Incentive regulation, performance rewards, purchased power risk, OPEB expense.
9/92	92-043	KY	Kentucky Industrial Utility Consumers	Generic Proceeding	OPEB expense.
9/92	920324-EI	FL	Florida Industrial Power Users' Group	Tampa Electric Co.	OPEB expense.
9/92	39348	IN	Indiana Industrial Group	Generic Proceeding	OPEB expense.
9/92	910840-PU	FL	Florida Industrial Power Users' Group	Generic Proceeding	OPEB expense.
9/92	39314	IN	Industrial Consumers for Fair Utility Rates	Indiana Michigan Power Co.	OPEB expense.
11/92	U-19904	LA	Louisiana Public Service Commission Staff	Gulf States Utilities/Entergy Corp.	Merger.
11/92	8649	MD	Westvaco Corp., Eastalco Aluminum Co.	Potomac Edison Co.	OPEB expense.
11/92	92-1715- AU-COI	OH	Ohio Manufacturers Association	Generic Proceeding	OPEB expense.
12/92	R-00922378	PA	Armco Advanced Materials Co., The WPP Industrial Intervenors	West Penn Power Co.	Incentive regulation, performance rewards, purchased power risk, OPEB expense.

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Date	Case	Jurisdct.	Party	Utility	Subject
12/92	U-19949	LA	Louisiana Public Service Commission Staff	South Central Bell	Affiliate transactions, cost allocations, merger.
12/92	R-00922479	PA	Philadelphia Area Industrial Energy Users' Group	Philadelphia Electric Co.	OPEB expense.
1/93	8487	MD	Maryland Industrial Group	Baltimore Gas & Electric Co., Bethlehem Steel Corp.	OPEB expense, deferred fuel, CWIP in rate base
1/93	39498	IN	PSI Industrial Group	PSI Energy, Inc.	Refunds due to over-collection of taxes on Marble Hill cancellation.
3/93	92-11-11	CT	Connecticut Industrial Energy Consumers	Connecticut Light & Power Co.	OPEB expense.
3/93	U-19904 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities/Entergy Corp.	Merger.
3/93	93-01 EL-EFC	OH	Ohio Industrial Energy Consumers	Ohio Power Co.	Affiliate transactions, fuel.
3/93	EC92-21000 ER92-806-000	FERC	Louisiana Public Service Commission	Gulf States Utilities/Entergy Corp.	Merger.
4/93	92-1464-EL-AIR	OH	Air Products Armco Steel Industrial Energy Consumers	Cincinnati Gas & Electric Co.	Revenue requirements, phase-in plan.
4/93	EC92-21000 ER92-806-000 (Rebuttal)	FERC	Louisiana Public Service Commission	Gulf States Utilities/Entergy Corp.	Merger.
9/93	93-113	KY	Kentucky Industrial Utility Customers	Kentucky Utilities	Fuel clause and coal contract refund.
9/93	92-490,	KY	Kentucky Industrial	Big Rivers Electric	Disallowances and restitution for

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Date	Case	Jurisdct.	Party	Utility	Subject
	92-490A, 90-360-C		Utility Customers and Kentucky Attorney General	Corp.	excessive fuel costs, illegal and improper payments, recovery of mine closure costs.
10/93	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	Revenue requirements, debt restructuring agreement, River Bend cost recovery.
1/94	U-20647	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Audit and investigation into fuel clause costs.
4/94	U-20647 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities	Nuclear and fossil unit performance, fuel costs, fuel clause principles and guidelines.
5/94	U-20178	LA	Louisiana Public Service Commission Staff	Louisiana Power & Light Co.	Planning and quantification issues of least cost integrated resource plan.
9/94	U-19904 Initial Post- Merger Earnings Review	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	River Bend phase-in plan, deregulated asset plan, capital structure, other revenue requirement issues.
9/94	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policies, exclusion of River Bend, other revenue requirement issues.
10/94	3905-U	GA	Georgia Public Service Commission Staff	Southern Bell Telephone Co.	Incentive rate plan, earnings review.
10/94	5258-U	GA	Georgia Public Service Commission Staff	Southern Bell Telephone Co.	Alternative regulation, cost allocation.
11/94	U-19904 Initial Post- Merger Earnings Review (Rebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	River Bend phase-in plan, deregulated asset plan, capital structure, other revenue requirement issues.
11/94	U-17735 (Rebuttal)	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policy, exclusion of River Bend, other revenue requirement issues.

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Date	Case	Jurisdct.	Party	Utility	Subject
4/95	R-00943271	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Revenue requirements. Fossil dismantling, nuclear decommissioning.
6/95	3905-U Rebuttal	GA	Georgia Public Service Commission	Southern Bell Telephone Co.	Incentive regulation, affiliate transactions, revenue requirements, rate refund.
6/95	U-19904 (Direct)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment.
10/95	95-02614	TN	Tennessee Office of the Attorney General Consumer Advocate	BellSouth Telecommunications, Inc.	Affiliate transactions.
10/95	U-21485 (Direct)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues.
11/95	U-19904 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co. Division	Gas, coal, nuclear fuel costs, contract prudence, base/fuel realignment.
11/95	U-21485 (Supplemental Direct) 12/95 U-21485 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Gulf States Utilities Co.	Nuclear O&M, River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues.
1/96	95-299-EL-AIR 95-300-EL-AIR	OH	Industrial Energy Consumers	The Toledo Edison Co. The Cleveland Electric Illuminating Co.	Competition, asset writeoffs and revaluation, O&M expense, other revenue requirement issues.
2/96	PUC No. 14965	TX	Office of Public Utility Counsel	Central Power & Light	Nuclear decommissioning.
5/96	95-485-LCS	NM	City of Las Cruces	El Paso Electric Co.	Stranded cost recovery, municipalization.
7/96	8725	MD	The Maryland	Baltimore Gas	Merger savings, tracking mechanism,

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Date	Case	Jurisdct.	Party	Utility	Subject
			Industrial Group and Redland Genstar, Inc.	& Electric Co., Potomac Electric Power Co. and Constellation Energy Corp.	earnings sharing plan, revenue requirement issues.
9/96 11/96	U-22092 U-22092 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	River Bend phase-in plan, base/fuel realignment, NOL and AltMin asset deferred taxes, other revenue requirement issues, allocation of regulated/nonregulated costs.
10/96	96-327	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Environmental surcharge recoverable costs.
2/97	R-00973877	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Stranded cost recovery, regulatory assets and liabilities, intangible transition charge, revenue requirements.
3/97	96-489	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	Environmental surcharge recoverable costs, system agreements, allowance inventory, jurisdictional allocation.
6/97	TO-97-397	MO	MCI Telecommunications Corp., Inc., MCImetro Access Transmission Services, Inc.	Southwestern Bell Telephone Co.	Price cap regulation, revenue requirements, rate of return.
6/97	R-00973953	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
7/97	R-00973954	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
7/97	U-22092	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Depreciation rates and methodologies, River Bend

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Date	Case	Jurisdct.	Party	Utility	Subject
			Staff		phase-in plan.
8/97	97-300	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co. and Kentucky Utilities Co.	Merger policy, cost savings, surcredit sharing mechanism, revenue requirements, rate of return.
8/97	R-00973954 (Surrebuttal)	PA	PP&L Industrial Customer Alliance	Pennsylvania Power & Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
10/97	97-204	KY	Alcan Aluminum Corp. Southwire Co.	Big Rivers Electric Corp.	Restructuring, revenue requirements, reasonableness
10/97	R-974008	PA	Metropolitan Edison Industrial Users Group	Metropolitan Edison Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements.
10/97	R-974009	PA	Penelec Industrial Customer Alliance	Pennsylvania Electric Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements.
11/97	97-204 (Rebuttal)	KY	Alcan Aluminum Corp. Southwire Co.	Big Rivers Electric Corp.	Restructuring, revenue requirements, reasonableness of rates, cost allocation.
11/97	U-22491	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, other revenue requirement issues.
11/97	R-00973953 (Surrebuttal)	PA	Philadelphia Area Industrial Energy Users Group	PECO Energy Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning.
11/97	R-973981	PA	West Penn Power Industrial Intervenor	West Penn Power Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil

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					decommissioning, revenue requirements, securitization.
11/97	R-974104	PA	Duquesne Industrial Intervenor	Duquesne Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements, securitization.
12/97	R-973981 (Surrebuttal)	PA	West Penn Power Industrial Intervenor	West Penn Power Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, fossil decommissioning, revenue requirements.
12/97	R-974104 (Surrebuttal)	PA	Duquesne Industrial Intervenor	Duquesne Light Co.	Restructuring, deregulation, stranded costs, regulatory assets, liabilities, nuclear and fossil decommissioning, revenue requirements, securitization.
1/98	U-22491 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, other revenue requirement issues.
2/98	8774	MD	Westvaco	Potomac Edison Co.	Merger of Duquesne, AE, customer safeguards, savings sharing.
3/98	U-22092 (Allocated Stranded Cost Issues)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Restructuring, stranded costs, regulatory assets, securitization, regulatory mitigation.
3/98	8390-U	GA	Georgia Natural Gas Group, Georgia Textile Manufacturers Assoc.	Atlanta Gas Light Co.	Restructuring, unbundling, stranded costs, incentive regulation, revenue requirements.
3/98	U-22092 (Allocated Stranded Cost Issues) (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Restructuring, stranded costs, regulatory assets, securitization, regulatory mitigation.

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10/98	97-596	ME	Maine Office of the Public Advocate	Bangor Hydro- Electric Co.	Restructuring, unbundling, stranded costs, T&D revenue requirements.
10/98	9355-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Co.	Affiliate transactions.
10/98	U-17735	LA	Louisiana Public Service Commission Staff	Cajun Electric Power Cooperative	G&T cooperative ratemaking policy, other revenue requirement issues.
11/98	U-23327	LA	Louisiana Public Service Commission Staff	SWEPCO, CSW and AEP	Merger policy, savings sharing mechanism, affiliate transaction conditions.
12/98	U-23358 (Direct)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
12/98	98-577	ME	Maine Office of Public Advocate	Maine Public Service Co.	Restructuring, unbundling, stranded cost, T&D revenue requirements.
1/99	98-10-07	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Stranded costs, investment tax credits, accumulated deferred income taxes, excess deferred income taxes.
3/99	U-23358 (Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
3/99	98-474	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements, alternative forms of regulation.
3/99	98-426	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements, alternative forms of regulation.
3/99	99-082	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
3/99	99-083	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.

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Date	Case	Jurisdct.	Party	Utility	Subject
4/99	U-23358 (Supplemental Surrebuttal)	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
4/99	99-03-04	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Regulatory assets and liabilities, stranded costs, recovery mechanisms.
4/99	99-02-05	CT	Connecticut Industrial Utility Customers	Connecticut Light and Power Co.	Regulatory assets and liabilities stranded costs, recovery mechanisms.
5/99	98-426 99-082 (Additional Direct)	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
5/99	98-474 99-083 (Additional Direct)	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.
5/99	98-426 98-474 (Response to Amended Applications)	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co. and Kentucky Utilities Co.	Alternative regulation.
6/99	97-596	ME	Maine Office of Public Advocate	Bangor Hydro- Electric Co.	Request for accounting order regarding electric industry restructuring costs.
6/99	U-23358	LA	Louisiana Public Public Service Comm. Staff	Entergy Gulf States, Inc.	Affiliate transactions, cost allocations.
7/99	99-03-35	CT	Connecticut Industrial Energy Consumers	United Illuminating Co.	Stranded costs, regulatory assets, tax effects of asset divestiture.
7/99	U-23327	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Co., Central and South West Corp, and American Electric Power Co.	Merger Settlement and Stipulation.
7/99	97-596	ME	Maine Office of	Bangor Hydro-	Restructuring, unbundling, stranded

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Date	Case	Jurisdct.	Party	Utility	Subject
	Surrebuttal		Public Advocate	Electric Co.	cost, T&D revenue requirements.
7/99	98-0452-E-GI	WV	West Virginia Energy Users Group	Monongahela Power, Potomac Edison, Appalachian Power, Wheeling Power	Regulatory assets and liabilities.
8/99	98-577 Surrebuttal	ME	Maine Office of Public Advocate	Maine Public Service Co.	Restructuring, unbundling, stranded costs, T&D revenue requirements.
8/99	98-426 99-082 Rebuttal	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co.	Revenue requirements.
8/99	98-474 98-083 Rebuttal	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements.
8/99	98-0452-E-GI Rebuttal	WV	West Virginia Energy Users Group	Monongahela Power, Potomac Edison, Appalachian Power, Wheeling Power	Regulatory assets and liabilities.
10/99	U-24182 Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, affiliate transactions, tax issues, and other revenue requirement issues.
11/99	21527	TX	Dallas-Ft.Worth Hospital Council and Coalition of Independent Colleges and Universities	TXU Electric	Restructuring, stranded costs, taxes, securitization.
11/99	U-23358 Surrebuttal Affiliate Transactions Review	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Service company affiliate transaction costs.
04/00	99-1212-EL-ETPOH 99-1213-EL-ATA 99-1214-EL-AAM		Greater Cleveland Growth Association	First Energy (Cleveland Electric Illuminating, Toledo Edison)	Historical review, stranded costs, regulatory assets, liabilities.
01/00	U-24182 Surrebuttal	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, affiliate

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			Staff		transactions, tax issues, and other revenue requirement issues.
05/00	2000-107	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	ECR surcharge roll-in to base rates.
05/00	U-24182 Supplemental Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Affiliate expense proforma adjustments.
05/00	A-110550F0147 PA		Philadelphia Area Industrial Energy Users Group	PECO Energy	Merger between PECO and Unicom.
07/00	22344	TX	The Dallas-Fort Worth Hospital Council and The Coalition of Independent Colleges and Universities	Statewide Generic Proceeding	Escalation of O&M expenses for unbundled T&D revenue requirements in projected test year.
05/00	99-1658- EL-ETP	OH	AK Steel Corp.	Cincinnati Gas & Electric Co.	Regulatory transition costs, including regulatory assets and liabilities, SFAS 109, ADIT, EDIT, ITC.
07/00	U-21453	LA	Louisiana Public Service Commission	SWEPCO	Stranded costs, regulatory assets and liabilities.
08/00	U-24064	LA	Louisiana Public Service Commission Staff	CLECO	Affiliate transaction pricing ratemaking principles, subsidization of nonregulated affiliates, ratemaking adjustments.
10/00	PUC 22350 SOAH 473-00-1015	TX	The Dallas-Ft. Worth Hospital Council and The Coalition of Independent Colleges And Universities	TXU Electric Co.	Restructuring, T&D revenue requirements, mitigation, regulatory assets and liabilities.
10/00	R-00974104 Affidavit	PA	Duquesne Industrial Intervenors	Duquesne Light Co.	Final accounting for stranded costs, including treatment of auction proceeds, taxes, capital costs, switchback costs, and excess pension funding.
11/00	P-00001837 R-00974008	PA	Metropolitan Edison Industrial Users Group	Metropolitan Edison Co. Pennsylvania Electric Co.	Final accounting for stranded costs, including treatment of auction proceeds,

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Date	Case	Jurisdct.	Party	Utility	Subject
	P-00001838 R-00974009		Penelec Industrial Customer Alliance		taxes, regulatory assets and liabilities, transaction costs.
12/00	U-21453, LA U-20925, U-22092 (Subdocket C) Surrebuttal		Louisiana Public Service Commission Staff	SWEPCO	Stranded costs, regulatory assets.
01/01	U-24993 LA Direct		Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Allocation of regulated and nonregulated costs, tax issues, and other revenue requirement issues.
01/01	U-21453, LA U-20925, U-22092 (Subdocket B) Surrebuttal		Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Industry restructuring, business separation plan, organization structure, hold harmless conditions, financing.
01/01	Case No. KY 2000-386		Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Recovery of environmental costs, surcharge mechanism.
01/01	Case No. KY 2000-439		Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Recovery of environmental costs, surcharge mechanism.
02/01	A-110300F0095 PA A-110400F0040		Met-Ed Industrial Users Group Penelec Industrial Customer Alliance	GPU, Inc. FirstEnergy Corp/	Merger, savings, reliability.
03/01	P-00001860 PA P-00001861		Met-Ed Industrial Users Group Penelec Industrial Customer Alliance	Metropolitan Edison Co. and Pennsylvania Electric Co.	Recovery of costs due to provider of last resort obligation.
04 /01	U-21453, LA U-20925, U-22092 (Subdocket B) Settlement Term Sheet		Louisiana Public Public Service Comm. Staff	Entergy Gulf States, Inc.	Business separation plan: settlement agreement on overall plan structure.
04 /01	U-21453, LA U-20925,		Louisiana Public Public Service Comm.	Entergy Gulf States, Inc.	Business separation plan: agreements, hold harmless conditions,

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Date	Case	Jurisdct.	Party	Utility	Subject
	U-22092 (Subdocket B) Contested Issues		Staff		separations methodology.
05 /01	U-21453, U-20925, U-22092 (Subdocket B) Contested Issues Transmission and Distribution Rebuttal	LA	Louisiana Public Service Comm. Staff	Entergy Gulf States, Inc.	Business separation plan: agreements, hold harmless conditions, Separations methodology.
07/01	U-21453, U-20925, U-22092 Subdocket B Transmission and Distribution Term Sheet	LA	Louisiana Public Service Comm. Staff	Entergy Gulf States, Inc.	Business separation plan: settlement agreement on T&D issues, agreements necessary to implement T&D separations, hold harmless conditions, separations methodology.
10/01	14000-U	GA	Georgia Public Service Commission Adversary Staff	Georgia Power Company	Revenue requirements, Rate Plan, fuel clause recovery.
11/01	14311-U Direct Panel with Bolin Killings	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements, revenue forecast, O&M expense, depreciation, plant additions, cash working capital.
11/01	U-25687 Direct	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, capital structure, allocation of regulated and nonregulated costs, River Bend uprate.
02/02	25230	TX	Dallas Ft.-Worth Hospital Council & the Coalition of Independent Colleges & Universities	TXU Electric	Stipulation. Regulatory assets, securitization financing.
02/02	U-25687 Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate.
03/02	14311-U Rebuttal	GA	Georgia Public Service Commission	Atlanta Gas Light Co.	Revenue requirements, earnings sharing plan, service quality standards.

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Date	Case	Jurisdic.	Party	Utility	Subject
	Panel with Bolin Killings		Adversary Staff		
03/02	14311-U Rebuttal Panel with Michelle L. Thebert	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements, revenue forecast, O&M expense, depreciation, plant additions, cash working capital.
03/02	001148-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Co.	Revenue requirements. Nuclear life extension, storm damage accruals and reserve, capital structure, O&M expense.
04/02	U-25687 (Supplemental Surrebuttal)	LA	Louisiana Public Service Commission	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, River Bend uprate.
04/02	U-21453, U-20925 and U-22092 (Subdocket C)		Louisiana Public Service Commission Staff	SWEPSCO	Business separation plan, T&D Term Sheet, separations methodologies, hold harmless conditions.
08/02	EL01- 88-000	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and The Entergy Operating Companies	System Agreement, production cost equalization, tariffs.
08/02	U-25888	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. and Entergy Louisiana, Inc.	System Agreement, production cost disparities, prudence.
09/02	2002-00224 2002-00225	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Utilities Co. Louisville Gas & Electric Co.	Line losses and fuel clause recovery associated with off-system sales.
11/02	2002-00146 2002-00147	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Utilities Co. Louisville Gas & Electric Co.	Environmental compliance costs and surcharge recovery.
01/03	2002-00169	KY	Kentucky Industrial Utilities Customers, Inc.	Kentucky Power Co.	Environmental compliance costs and surcharge recovery.
04/03	2002-00429 2002-00430	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co. Louisville Gas & Electric Co.	Extension of merger surcredit, flaws in Companies' studies.
04/03	U-26527	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, Capital structure, post test year Adjustments.
06/03	EL01- 88-000	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating	System Agreement, production cost equalization, tariffs.

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Date	Case	Jurisdic.	Party	Utility	Subject
	Rebuttal			Companies	
06/03	2003-00068	KY	Kentucky Industrial Utility Customers	Kentucky Utilities Co.	Environmental cost recovery, correction of base rate error.
11/03	ER03-753-000	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Unit power purchases and sale cost-based tariff pursuant to System Agreement.
11/03	ER03-583-000, FERC ER03-583-001, and ER03-583-002 ER03-681-000, ER03-681-001 ER03-682-000, ER03-682-001, and ER03-682-002 ER03-744-000, ER03-744-001 (Consolidated)		Louisiana Public Service Commission	Entergy Services, Inc., the Entergy Operating Companies, EWO Market-Ing, L.P, and Entergy Power, Inc.	Unit power purchase and sale agreements, contractual provisions, projected costs, levelized rates, and formula rates.
12/03	U-26527 Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, Capital structure, post test year adjustments.
12/03	2003-0334 2003-0335	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co. Louisville Gas & Electric Co.	Earnings Sharing Mechanism.
12/03	U-27136	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc.	Purchased power contracts between affiliates, terms and conditions.

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Date	Case	Jurisdic.	Party	Utility	Subject
03/04	U-26527 Supplemental Surrebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Revenue requirements, corporate franchise tax, conversion to LLC, capital structure, post test year adjustments.
03/04	2003-00433	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas & Electric Co.	Revenue requirements, depreciation rates, O&M expense, deferrals and amortization, earnings sharing mechanism, merger surcredit, VDT surcredit.
03/04	2003-00434	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co.	Revenue requirements, depreciation rates, O&M expense, deferrals and amortization, earnings sharing mechanism, merger surcredit, VDT surcredit.
03/04	SOAH Docket 473-04-2459, PUC Docket 29206	TX	Cities Served by Texas- New Mexico Power Co.	Texas-New Mexico Power Co.	Stranded costs true-up, including including valuation issues, ITC, ADIT, excess earnings.
05/04	04-169- EL-UNC	OH	Ohio Energy Group, Inc.	Columbus Southern Power Co. & Ohio Power Co.	Rate stabilization plan, deferrals, T&D rate increases, earnings.
06/04	SOAH Docket 473-04-4555 PUC Docket 29526	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric	Stranded costs true-up, including valuation issues, ITC, EDIT, excess mitigation credits, capacity auction true-up revenues, interest.
08/04	SOAH Docket 473-04-4556 PUC Docket 29526 (Suppl Direct)	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric	Interest on stranded cost pursuant to Texas Supreme Court remand.
09/04	Docket No. U-23327 Subdocket B	LA	Louisiana Public Service Commission Staff	SWEPCO	Fuel and purchased power expenses recoverable through fuel adjustment clause, trading activities, compliance with terms of various LPSC Orders.
10/04	Docket No. U-23327 Subdocket A	LA	Louisiana Public Service Commission Staff	SWEPCO	Revenue requirements.
12/04	Case No. 2004-00321 Case No.	KY	Gallatin Steel Co.	East Kentucky Power Cooperative, Inc., Big Sandy Recc, etal.	Environmental cost recovery, qualified costs, TIER requirements, cost allocation.

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Date	Case	Jurisdic.	Party	Utility	Subject
	2004-00372				
01/05	30485	TX	Houston Council for Health and Education	CenterPoint Energy Houston Electric, LLC	Stranded cost true-up including regulatory Central Co. assets and liabilities, ITC, EDIT, capacity auction, proceeds, excess mitigation credits, retrospective and prospective ADIT.
02/05	18638-U	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Revenue requirements.
02/05	18638-U Panel with Tony Wackerly	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Comprehensive rate plan, pipeline replacement program surcharge, performance based rate plan.
02/05	18638-U Panel with Michelle Thebert	GA	Georgia Public Service Commission Adversary Staff	Atlanta Gas Light Co.	Energy conservation, economic development, and tariff issues.
03/05	Case No. 2004-00426 Case No. 2004-00421	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co. Louisville Gas & Electric	Environmental cost recovery, Jobs Creation Act of 2004 and § 199 deduction, excess common equity ratio, deferral and amortization of nonrecurring O&M expense.
06/05	2005-00068	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	Environmental cost recovery, Jobs Creation Act of 2004 and §199 deduction, margins on allowances used for AEP system sales.
06/05	050045-EI	FL	South Florida Hospital and Healthcare Assoc.	Florida Power & Light Co.	Storm damage expense and reserve, RTO costs, O&M expense projections, return on equity performance incentive, capital structure, selective second phase post-test year rate increase.
08/05	31056	TX	Alliance for Valley Healthcare	AEP Texas Central Co.	Stranded cost true-up including regulatory assets and liabilities, ITC, EDIT, capacity auction, proceeds, excess mitigation credits, retrospective and prospective ADIT.
09/05	20298-U	GA	Georgia Public Service Commission Adversary Staff	Atmos Energy Corp.	Revenue requirements, roll-in of surcharges, cost recovery through surcharge, reporting requirements.

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Date	Case	Jurisdct.	Party	Utility	Subject
09/05	20298-U Panel with Victoria Taylor	GA	Georgia Public. Service Commission Adversary Staff	Atmos Energy Corp.	Affiliate transactions, cost allocations, capitalization, cost of debt.
10/05	04-42	DE	Delaware Public Service Commission Staff	Artesian Water Co.	Allocation of tax net operating losses between regulated and unregulated.
11/05	2005-00351 2005-00352	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Utilities Co. Louisville Gas and Electric Co.	Workforce Separation Program cost recovery and shared savings through VDT surcredit.
01/06	2005-00341	KY	Kentucky Industrial Utility Customers, Inc.	Kentucky Power Co.	System Sales Clause Rider, Environmental Cost Recovery Rider. Net Congestion Rider, Storm damage, vegetation management program, depreciation, off-system sales, <i>maintenance normalization</i> , pension and OPEB.
03/06 05/06	31994 31994 Supplemental	TX	Cities	Texas-New Mexico Power Co.	Stranded cost recovery through competition transition or change. Retrospective ADFIT, prospective ADFIT.
03/06	U-21453, U-20925, U-22092	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc.	Jurisdictional separation plan.
3/06	NOPR Reg 104385-OR	IRS	Alliance for Valley Health Care and Houston Council for Health Education	AEP Texas Central Company and CenterPoint Energy Houston Electric	Proposed Regulations affecting flow- through to ratepayers of excess deferred income taxes and investment Tax credits on generation plant that is sold or deregulated.
4/06	U-25116	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, Inc.	2002-2004 Audit of Fuel Adjustment Clause Filings. Affiliate transactions.
07/06	R-00061366, Et. al	PA	Met-Ed Ind. Users Group Pennsylvania Ind. Customer Alliance	Metropolitan Edison Co. Pennsylvania Electric Co.	Recovery of NUG-related stranded costs, government mandated programs costs, storm damage costs.
07/06	U-23327	LA	Louisiana Public Service Commission Staff	Southwestern Electric Power Co.	Revenue requirements, formula rate plan, banking proposal.
08/06	U-21453,	LA	Louisiana Public	Entergy Gulf	Jurisdictional separation plan.

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Date	Case	Jurisdct.	Party	Utility	Subject
	U-20925 U-22092 (Subdocket J)		Service Commission Staff	States, Inc.	
11/06	05CVH03-3375 OH Franklin County Court Affidavit		Various Taxing Authorities (Non-Utility Proceeding)	State of Ohio Department of Revenue	Accounting for nuclear fuel assemblies as manufactured equipment and capitalized plant.
12/06	U-23327 LA Subdocket A Reply Testimony		Louisiana Public Service Commission Staff	Southwestern Electric Power Co..	Revenue requirements, formula rate plan, banking proposal.
03/07	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc., Entergy Louisiana, LLC	Jurisdictional allocation of Entergy System Agreement equalization remedy receipts.
03/07	33309	TX	Cities	AEP Texas Central Co.	Revenue requirements, including functionalization of transmission and distribution costs.
03/07	33310	TX	Cities	AEP Texas North Co.	Revenue requirements, including functionalization of transmission and distribution costs.
03/07	2006-00472	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative	Interim rate increase, RUS loan covenants, credit facility requirements, financial condition.
03/07	U-29157	LA	Louisiana Public Service Commission Staff	Cleco Power, LLC	Permanent (Phase II) storm damage cost recovery.
04/07	U-29764 Supplemental And Rebuttal	LA	Louisiana Public Service Commission Staff	Entergy Gulf States, Inc. Entergy Louisiana, LLC	Jurisdictional allocation of Entergy System Agreement equalization remedy receipts.
04/07	ER07-682-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Allocation of intangible and general plant and A&G expenses to production and state income tax effects on equalization remedy receipts
04/07	ER07-684-000	FERC	Louisiana Public	Entergy Services, Inc.	Fuel hedging costs and compliance

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Date	Case	Jurisdic.	Party	Utility	Subject
	Affidavit		Service Commission	and the Entergy Operating Companies	with FERC USOA.
05/07	ER07-682-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Allocation of intangible and general plant and A&G expenses to production and account 924 effects on MSS-3 equalization remedy payments and receipts.
06/07	U-29764	LA	Louisiana Public Service Commission Staff	Entergy Louisiana, LLC Entergy Gulf States, Inc.	Show cause for violating LPSC Order on fuel hedging costs.
07/07	2006-00472	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative	Revenue requirements, post test year adjustments, TIER, surcharge revenues and costs, financial need.
07/07	ER07-956-000 Affidavit	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Storm damage costs related to Hurricanes Katrina and Rita and effects of MSS-3 equalization payments and receipts.
10/07	05-UR-103 Direct	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Company Wisconsin Gas, LLC	Revenue requirements, carrying charges on CWIP, amortization and return on regulatory assets, working capital, incentive compensation, use of rate base in lieu of capitalization, quantification and use of Point Beach sale proceeds.
10/07	05-UR-103 Surrebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Company Wisconsin Gas, LLC	Revenue requirements, carrying charges on CWIP, amortization and return on regulatory assets, working capital, incentive compensation, use of rate base in lieu of capitalization, quantification and use of Point Beach sale proceeds.
10/07	25060-U Direct deduction.	GA	Georgia Public Service Commission Public Interest Adversary Staff	Georgia Power Company	Affiliate costs, incentive compensation, consolidated income taxes, §199
11/07	06-0033-E-CN	WV	West Virginia Energy Users	Appalachian Power Company	IGCC surcharge during construction period

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Date	Case	Jurisdic.	Party	Utility	Subject
	Direct		Group		and post-in-service date.
11/07	ER07-682-000 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization and allocation of <i>intangible and general plant and A&G</i> expenses.
01/08	ER07-682-000 Cross Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization and allocation of intangible and general plant and A&G expenses.
01/08	07-551-EL-AIR Direct	OH	Ohio Energy Group, Inc.	Ohio Edison Company, Cleveland Electric Illuminating Company, Toledo Edison Company	Revenue Requirements.
02/08	ER07-956-000 Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization of expenses in account 923; storm damage expense and accounts 924, 228.1, 182.3, 254 and 407.3; tax NOL carrybacks in account 165 and 236; ADIT; nuclear service lives and effect on depreciation and decommissioning.
03/08	ER07-956-000 Cross-Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc. and the Entergy Operating Companies	Functionalization of expenses in account 923; storm damage expense and accounts 924, 228.1, 182.3, 254 and 407.3; tax NOL carrybacks in account 165 and 236; ADIT; <i>nuclear service lives and effect on</i> depreciation and decommissioning.
04/08	2007-00562 2007-00563	KY	Kentucky Industrial Utility Customers, Inc. Louisville Gas and	Kentucky Utilities Co. Electric Co.	Merger surcredit.
04/08	26837 Direct Panel with Thomas K. Bond, Cynthia Johnson, Michelle Thebert	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.
05/08	26837	GA	Georgia Public Service	SCANA Energy	Rule Nisi complaint.

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Date	Case	Jurisdct.	Party	Utility	Subject
	Rebuttal Panel with Thomas K. Bond, Cynthia Johnson, Michelle Thebert		Commission Staff	Marketing, Inc.	
05/08	26837 Supplemental Rebuttal Panel with Thomas K. Bond, Cynthia Johnson, Michelle Thebert	GA	Georgia Public Service Commission Staff	SCANA Energy Marketing, Inc.	Rule Nisi complaint.
06/08	2008-00115	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Environmental surcharge recoveries, incl costs recovered in existing rates, TIER
07/08	27163 Direct	GA	Georgia Public Service Commission Public Interest Advocacy Staff	Atmos Energy Corp.	Revenue requirements, incl projected test year rate base and expenses.
07/08	27163 Panel with Victoria Taylor	GA	Georgia Public Service Commission Public Interest Advocacy Staff	Atmos Energy Corp.	Affiliate transactions and division cost allocations, capital structure, cost of debt.
08/08	6680-CE-170 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	Nelson Dewey 3 or Colombia 3 fixed financial parameters.
08/08 pension	6680-UR-116 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	CWIP in rate base, labor expenses, expense, financing, capital structure, decoupling.
08/08	6680-UR-116 Rebuttal	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Power and Light Company	Capital structure.
08/08	6690-UR-119 Direct	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Corp.	Prudence of Weston 3 outage, incentive compensation, Crane Creek Wind Farm incremental revenue requirement, capital structure.
09/08	6690-UR-119 Surrebuttal	WI	Wisconsin Industrial Energy Group, Inc.	Wisconsin Public Service Corp.	Prudence of Weston 3 outage, Section 199 deduction.
09/08	08-935-EL-SSOOH 08-918-EL-SSOOH		Ohio Energy Group, Inc.	First Energy	Standard service offer rates pursuant to electric security plan, significantly

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Date	Case	Jurisdct.	Party	Utility	Subject
					excessive earnings test.
10/08	08-917-EL-SSOOH		Ohio Energy Group, Inc.	AEP	Standard service offer rates pursuant to electric security plan, significantly excessive earnings test.
10/08	2007-564 2007-565 2008-251 2008-252	KY	Kentucky Industrial Utility Customers, Inc.	Louisville Gas and Electric Co., Kentucky Utilities Company	Revenue forecast, affiliate costs, depreciation expenses, federal and state income tax expense, capitalization, cost of debt.
11/08	EL08-51	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Spindletop gas storage facilities, regulatory asset and bandwidth remedy.
11/08	35717	TX	Cities Served by Oncor Delivery Company	Oncor Delivery Company	Recovery of old meter costs, asset ADFIT, cash working capital, recovery of prior year restructuring costs, levelized recovery of storm damage costs, prospective storm damage accrual, consolidated tax savings adjustment.
12/08	27800	GA	Georgia Public Service Commission	Georgia Power Company	AFUDC versus CWIP in rate base, mirror CWIP, certification cost, use of short term debt and trust preferred financing, CWIP recovery, regulatory incentive.
01/09	ER08-1056	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure.
01/09	ER08-1056 Supplemental Direct	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Blytheville leased turbines; accumulated depreciation.
02/09	EL08-51 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Spindletop gas storage facilities regulatory asset and bandwidth remedy.
02/09	2008-00409 Direct	KY	Kentucky Industrial Utility Customers, Inc.	East Kentucky Power Cooperative, Inc.	Revenue requirements.
03/09	ER08-1056 Answering	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure.
03/09	U-21453,U-20925 U-22092 (Subdocket J)		Louisiana Public Service Commission Staff	Entergy Gulf States Louisiana, LLC	Violation of EGSI separation order, ETI and EGSL separation accounting,

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Date	Case	Jurisdct.	Party	Utility	Subject
					Spindletop regulatory asset.
04/09	U-21453, U-20925 U-22092 (Subdocket J) Rebuttal		Louisiana Public Service Commission	Entergy Gulf States Louisiana, LLC	Violation of EGSI separation order, ETI and EGSL separation accounting, Spindletop regulatory asset.
04/09	2009-00040 Direct-Interim (Oral)	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Emergency interim rate increase; cash requirements.
04/09	36530	TX	State Office of Administrative Hearings	Oncor Electric Delivery Company, LLC	Rate case expenses.
05/09	ER08-1056 Rebuttal	FERC	Louisiana Public Service Commission	Entergy Services, Inc.	Entergy System Agreement bandwidth remedy calculations, including depreciation expense, ADIT, capital structure.
06/09	2009-00040 Direct- Permanent	KY	Kentucky Industrial Utility Customers, Inc.	Big Rivers Electric Corp.	Revenue requirements, TIER, cash flow.
07/09	080677-EI	FL	South Florida Hospital and Healthcare Association	Florida Power & Light Company	Multiple test years, GBRA rider, forecast assumptions, revenue requirement, O&M expense, depreciation expense, Economic Stimulus Bill, capital structure.
08/09	U-21453, U-20925 U-22092 (Subdocket J) Supplemental Rebuttal		Louisiana Public Service Commission	Entergy Gulf States Louisiana, LLC	Violation of EGSI separation order, ETI and EGSL separation accounting, Spindletop regulatory asset.
08/09	8516 and 29950	GA	Georgia Public Service Commission Staff	Atlanta Gas Light Company	Modification of PRP surcharge to include infrastructure costs.
09/09	05-UR-104 Direct and Surrebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Electric Power Company	Revenue requirements, incentive compensation, depreciation, deferral mitigation, capital structure, cost of debt.
09/09	09AL-299E	CO	CF&I Steel, Rocky Mountain Steel Mills LP, Climax Molybdenum Company	Public Service Company of Colorado	Forecasted test year, historic test year, proforma adjustments for major plant additions, tax depreciation.
09/09	6680-UR-117 Direct and Surrebuttal	WI	Wisconsin Industrial Energy Group	Wisconsin Power and Light Company	Revenue requirements, CWIP in rate base, deferral mitigation, payroll, capacity shutdowns, regulatory assets, rate of return.

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Date	Case	Jurisdic.	Party	Utility	Subject
10/09	09A-415E	CO	Cripple Creek & Victor Gold Mining Company, et al.	Black Hills/CO Electric Utility Company	Cost prudence, cost sharing mechanism.
10/09	EL09-50	LA	Louisiana Public Service Commission	Entergy Services, Inc.	Waterford 3 sale/leaseback accumulated deferred income taxes, Entergy System Agreement bandwidth remedy calculations.

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EXHIBIT ____ (LK-2)

Case”), the Grand Ridge I and Grand Ridge IV wind energy contracts will cost an additional \$108.3 million over the life of the contracts.

Net Present Value (\$M)	Base Case	Wind Proposal	Delta
Production	\$17,278	\$17,396	\$118.3
SO ₂	\$373	\$370	(\$2.9)
NO _x	\$473	\$470	(\$2.8)
CO ₂	\$9,478	\$9,444	(\$34.0)
Transmission		\$23	\$23.4
LMP Risk		\$6	\$6.3
Total	\$27,601	\$27,709	\$108.3

Clearly, renewable energy is not a least-cost resource under traditional net present value revenue requirement analyses;¹⁴ however, such principles do not evenly square with the policy objective for utilities to increase their renewable portfolios.

V. RECOVERY OF COSTS ASSOCIATED WITH THE WIND POWER CONTRACTS VIA A TRACKING MECHANISM SHOULD BE APPROVED

22. Given the volatile nature of wind energy generally, and of the wind power contracts specifically, the Companies propose recovery via a tracking mechanism.

23. KRS 278.030(1) provides the Commission with broad authority to adopt rates that are “fair, just, and reasonable.” The methods used to establish those “just and reasonable rates” are a matter of Commission discretion.

24. In *National-Southwire Aluminum Co. v. Big Rivers Electric Corp.*,¹⁵ the Court upheld separate variable rates for smelters based on the fluctuating price of world aluminum, an extraordinary basis for setting a utility rate, explaining at length why the Commission is, and

¹⁴ See 807 KAR 5:058, Integrated Resource Planning by Electric Utilities, “This administrative regulation prescribes rules for regular reporting and Commission review of load forecast and resource plans of the stat’s electric utilities to meet future demand with an adequate and reliable supply of electricity *at the lowest possible cost* for all customers within their service areas...” (emphasis added). See also, *In the Matter of: The 2008 Joint Integrated Resource Plan of Louisville Gas and Electric Company and Kentucky Utilities Company*, Case No. 2008-00148 which did not recommend renewable energy as a least cost resource.

¹⁵ 785 S.W.2d 503 (Ky. App. 1990) (“National-Southwire”).

EXHIBIT ____ (LK-3)

EXHIBIT REDACTED IN ITS ENTIRETY

EXHIBIT ____ (LK-4)

EXHIBIT REDACTED IN ITS ENTIRETY

EXHIBIT ____ (LK-5)

**LOUISVILLE GAS AND ELECTRIC COMPANY
AND
KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's First Data Request
Dated December 21, 2009**

Case No. 2009-00353

Question No. 7

Witness: Charles R. Schram

- Q-7. Refer to the table on page 12 of the Application. Provide the workpapers, including all assumptions, used to develop the amounts included in the table. Include a narrative description of the assumptions and calculations.
- A-7. A projection of the net impact of including these wind contracts in the resource portfolio was obtained by comparing two runs of the Companies' production cost model (PROSYM), for native load only: the first including only those resources included in the company's most recent update to its (indicative) least-cost capacity expansion plan, and a second run including 109.5 MW of wind resources – with a profile of generation consistent with the given wind profile. To maximize the use of the wind energy available under the proposed contract, the Grand Ridge PPA was treated as a 'must-run' resource.

The most recent assessment of the least-cost expansion plan for the Companies is shown in the following table:

Capacity additions (2010 MTP load forecast)

2010	
2011	
2012	
2013	
2014	
2015	
2016	
2017	CCCT (475 MW)
2018	
2019	

2020	
2021	
2022	CCCT (475 MW)
2023	
2024	CCCT (475 MW)
2025	
2026	
2027	
2028	
2029	CCCT (475 MW)

It has been assumed that since the wind resources offer minimal firm capacity, there is no difference between these two runs regarding the timing or cost of generating capacity additions to the system over the period under review (to 2030). The only impact of adding the wind resources is to reduce thermal generation by an equivalent amount. The net incremental cost associated with the wind contracts – present-valued over the life of the contracts – represents the difference between the contractual cost of the wind-based energy and the dispatch cost of the (displaced) thermal energy (including fuel and emissions components).

The incremental annual production costs associated with incorporating the wind contracts are shown below (in \$ millions):

	Wind generation (GWh)	Incremental production cost (inc emissions)	Transmission cost	Congestion cost	Total incremental cost
2010	258	9.6	2.0	0.5	12.2
2011	295	11.9	2.2	0.6	14.7
2012	295	11.3	2.2	0.6	14.2
2013	295	10.3	2.3	0.6	13.1
2014	295	7.8	2.3	0.6	10.7
2015	295	7.3	2.3	0.6	10.2
2016	295	6.6	2.3	0.6	9.6
2017	295	6.7	2.3	0.6	9.6
2018	295	8.0	2.4	0.6	11.0
2019	295	5.8	2.4	0.6	8.8
2020	295	5.4	2.4	0.7	8.5
2021	295	5.5	2.4	0.7	8.6
2022	295	6.1	2.5	0.7	9.2
2023	295	6.0	2.5	0.7	9.2
2024	295	6.8	2.5	0.7	10.0
2025	295	6.3	2.5	0.7	9.5
2026	295	4.4	2.6	0.7	7.7
2027	295	3.4	2.6	0.7	6.7

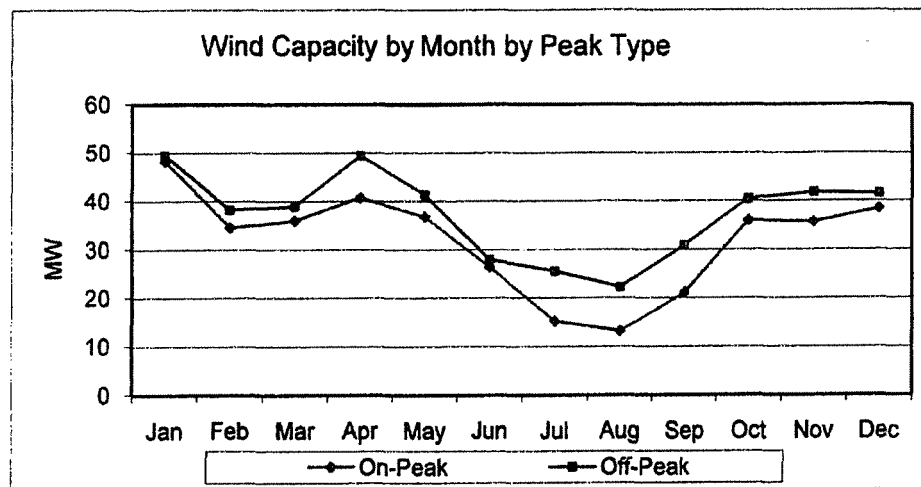
2028	295	4.5	2.6	0.7	7.8
2029	295	5.8	2.6	0.7	9.2
2030	36	3.8	0.2	0.1	4.0
	5,890	\$143.3	48.3	13.0	204.5

NPV @
7.8%

	\$78.6	\$23.3	\$6.3	\$108.2
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The assumed performance characteristics of the Grand Ridge development are as follows:

Peak capacity: 109.5 MW
Annual generation: 294.5 GWh (delivered into the LG&E/KU system)
Contract term: 2/2010 – 1/2030 (20 years)
Wind energy cost: per contract terms
Discount rate (for PV calculation): 7.78%
Transmission cost: \$20/kW-yr (1% annual escalation)
Congestion cost: \$2/MWh (1% annual escalation)
Seasonal availability:



The performance characteristics of the other generation resources available to the Companies are broadly as outlined in Appendix A to the 2008 IRP (Vol III), with updates for current fuel prices.

Enclosed on a CD are the workpapers for this analysis, which are being filed under Petition for Confidential Protection.

EXHIBIT ____ (LK-6)

**LOUISVILLE GAS AND ELECTRIC COMPANY
AND
KENTUCKY UTILITIES COMPANY**

**Response to Commission Staff's First Data Request
Dated December 21, 2009**

Case No. 2009-00353

Question No. 8

Witness: Charles R. Schram

- Q-8. Refer to the answer at the top of page 6 of the Testimony of Lonnie E. Bellar ("Bellar Testimony"). Explain how the "dependable combined summer peak capacity" of the proposed contracts was determined.
- A-8. The dependable peak capacity of any single wind turbine is zero: there is no assurance that there will be any generation from that unit at the time of system peak demand. Wind *farms* – developments of tens or hundreds of wind turbines over a fairly broad footprint – offer a slightly greater assurance of generation from at least some of the turbines most of the time, but again it is likely that the generation profiles of individual turbines within the farm are fairly similar (i.e. that output levels are highly correlated). Based on the wind profile by the developer for the Grand Ridge site the Companies have derated the capacity of the site to reflect expected availability at the time of system peak demand (in summer evenings). Only 13.1 MW of capacity is expected to be available at these times – a proportion of the contract capacity which is consistent with the de-rating of wind capacity applied by PJM in system planning studies.

EXHIBIT ____ (LK-7)

EXHIBIT REDACTED IN ITS ENTIRETY

EXHIBIT ____ (LK-8)

**LOUISVILLE GAS AND ELECTRIC COMPANY
AND
KENTUCKY UTILITIES COMPANY**

**Response to Supplemental Requests for Information
of Joint Intervenors
Dated January 15, 2010**

Case No. 2009-00353

Question No. 3

Witness: Charles R. Schram

- Q-3. With regard to the Companies' response to JI-14, please calculate for at least one year the estimated increase in: (a) off-system sales revenues; and (b) off-system sales margins, that will occur in the event the PSC approves the subject contracts. In making this calculation please use the same PROSYM production cost assumptions used in your response to PSC Staff Question 7. Please provide the workpapers for this calculation.
- A-3. Based on the overlay of the wind energy profile with the production cost model assumptions and forecasted market power prices, the model forecasts that an additional 101 GWh of energy, or 34% of the expected wind energy, will be available for economic off-system sales in 2011. The associated increase in off-system revenue is \$4.9 million and the increase in off-system sales margin is \$1.4 million.

However, as noted in the response to item JI-14 in the Joint Intervenors' first data request, the inherent uncertainty surrounding the availability of the wind generation at any given hour may preclude the Companies' ability to sell any additional energy off-system. For example, even on an hour-ahead basis, it may not be possible to estimate the available wind energy with a high level of confidence. Therefore, the Companies would not commit to the off-system sale of energy that might be required to serve native load.

EXHIBIT ____ (LK-9)

EXHIBIT REDACTED IN ITS ENTIRETY

EXHIBIT ____ (LK-10)

EXHIBIT REDACTED IN ITS ENTIRETY

EXHIBIT ____ (LK-11)

EXHIBIT REDACTED IN ITS ENTIRETY

EXHIBIT ____ (LK-12)

EXHIBIT REDACTED IN ITS ENTIRETY